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July 31, 2009

BY FIRST-CLASS MAIL

The Honorable Kimba M. Wood
Chief Judge
United States District Court
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, Room 2240
New York, New York 10007-1312


Re: Securities and Exchange Commission v. Cobalt Multifamily
Investors I, LLC, et al.; 06 Civ. 2360 (KMW) (MHD)

Dear Chief Judge Wood:

We represent Anthony Paduano, the Receiver for defendants Cobalt Multifamily Investors I, LLC, Cobalt Multifamily Co. I, LLC, and Cobalt Capital Funding, LLC and relief defendant Vail Mountain Trust in the above-referenced action.

Enclosed is a courtesy copy of the Notice of the Receiver's Accounting of Cobalt Assets, dated July 31, 2009, which the Receiver electronically filed with the Court earlier today.

Respectfully submitted,


Leonard Weintraub

(Enclosure)

cc: Magistrate Judge Dolinger (by mail w/enclosure)
The Attached Service List (by mail w/enclosure)

Leonard Weintraub (LW 7258)
Kathryn L. Bedke (KB 7855)
Steven Castaldo (SC 0520)
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Attorneys for the Receiver

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

-against- : 06 Civ. No. 2360 (KMW) (MHD)

COBALT MULTIFAMILY INVESTORS I, LLC, :
COBALT MULTIFAMILY CO. I, LLC, :
COBALT CAPITAL FUNDING, LLC, :
MARK A. SHAPIRO, IRVING J. STITSKY :
and WILLIAM B. FOSTER, :

Defendants, and :

VAIL MOUNTAIN TRUST, :

Relief Defendant. :
-----X

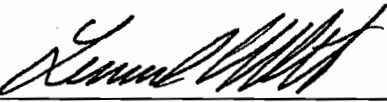
NOTICE OF THE RECEIVER'S ACCOUNTING OF COBALT ASSETS

Pursuant to the Court's June 24, 2009 Order approving the SEC's Plan of Distribution, on July 22, 2009, the Receiver wire transferred to the Court's CRIS account a total of \$1,076,603.97. Pursuant to the SEC's instructions, the Receiver is still in possession of \$248,952.22 (as of July 22, 2009), which the Receiver will dispose of as subsequently directed by the SEC and/or the Court.

Attached hereto is an accounting of all Cobalt assets that the Receiver has seized, recovered or otherwise acquired since his appointment on March 28, 2006 (the "Accounting"). The Accounting indicates which monies have been wire transferred to the Court's CRIS account, and which monies are still held by the Receiver.

Dated: New York New York
July 31, 2009

PADUANO & WEINTRAUB LLP

By: 

Leonard Weintraub (LW 7258)

Kathryn L. Bedke (KB 7855)

Steven Castaldo (SC 0520)

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Attorneys for the Receiver

COBALT ACCOUNTING**BANK ACCOUNTS FROZEN BY THE SEC AND
SECURED BY THE RECEIVER****Assets Still Held
By the Receiver**

04/11/06 Webster Bank	\$4,438.71	
04/11/06 Webster Bank	\$1,365.00	
04/11/06 Webster Bank	\$87,182.70	
04/11/06 Webster Bank	\$14,628.32	
04/11/06 Webster Bank	\$23,260.55	
04/11/06 Webster Bank	\$14,903.81	
04/11/06 Webster Bank	\$134,575.86	
04/11/06 Webster Bank	\$100.00	
04/11/06 Webster Bank	\$8,782.75	
04/11/06 Webster Bank	\$2,986.41	
04/25/06 Webster Bank	\$833.46	
	<u>\$293,057.57</u>	\$0.00

**ADDITIONAL BANK/SECURITIES ACCOUNTS
SEIZED BY THE RECEIVER**

08/28/06 Wachovia Bank	\$35,859.42	
08/31/06 Bank of America	\$7,949.69	
12/31/06 Fidelity Securities Account - transferred 7/22/09	\$106,337.66	
	<u>\$150,146.77</u>	\$0.00

SALE OF REAL ESTATE

12/01/06 Hogan & Hartson sale of Icon apartment	\$181,212.72	\$10,000.00 (potential fees in connection w/ sale)
12/05/06 Hogan & Hartson sale of Mercury apartment	\$91,946.75	
06/28/06 Texas Tax Credit properties re 6/22 order (net)	\$20,000.00	
	<u>\$293,159.47</u>	

SALE OF OTHER COBALT ASSETS

various Jewelry Sale Proceeds	\$60,000.00	
05/19/06 Majestic Properties, furniture/electronic sale (Miami)	\$39,000.00	
11/14/06 Barkley Masters Assn (Fla. copier)	\$1,000.00	
10/31/06 Palm Beach Business Systems (Fla. copier)	\$750.00	
01/04/07 Sale of 2006 Porsche	\$20,243.25	
12/12/06 Sale of Photocopier	\$2,000.00	
02/22/07 Doherty Wallace etal - proceeds from 155 Maple St (Mass)	\$25,000.00	
08/27/08 Proceeds from sale of Cobalt office items in annex	\$4,037.00	
	<u>\$152,030.25</u>	\$0.00

ARDEN LITIGATION SETTLEMENTS

07/11/06 Andy Miller (re demand letter)	\$2,570.00	
11/27/06 Nathan Youngs (settlement)	\$1,050.00	
09/06/06 Devorah Shalev (settlement)	\$5,250.00	
09/26/06 Jason Block (settlement)	\$7,143.75	
02/08/07 Lisa Arden (settlement)	\$875.00	
07/23/08 Jennifer Wilkov (settlement)	\$1,000.00	
various Sam Nakhleh - 4 payments of 12	\$7,333.35	
various Tom Dzwilewski - 4 payments of 6	\$2,333.36	
	<u>\$27,555.46</u>	\$27,555.46

COBALT ACCOUNTING

DEMAND LETTERS/OTHER LITIGATION SETTLEMENTS		Assets Still Held By the Receiver	
06/22/06	Buchwald Jewelers (re demand letter)	\$2,109.16	
	Eastern Capital Group - settlement plus legal fees/interest	<u>\$151,324.63</u>	
		\$153,433.79	\$19,944.50 (Judge Dolinger's award of attorneys fees to P&W)
RENTAL INCOME			
05/12/06	Paskill & Stapleton (Springfield)	\$1,450.00	
06/08/06	Paskill & Stapleton (Springfield)	\$1,450.00	
07/11/06	Paskill & Stapleton (Springfield)	\$1,450.00	
08/04/06	Paskill & Stapleton (Springfield)	\$1,450.00	
09/06/06	Paskill & Stapleton (Springfield)	\$1,450.00	
10/10/06	Paskill & Stapleton (Springfield)	\$1,450.00	
11/06/06	Paskill & Stapleton (Springfield)	\$1,450.00	
12/04/06	Paskill & Stapleton (Springfield)	\$1,450.00	
02/20/07	Paskill & Stapleton (Springfield)	\$2,900.00	
06/23/06	Mercury South Beach Resort (Miami)	\$1,702.49	
06/24/06	Mercury South Beach Resort (Miami)	\$1,600.39	
09/06/06	Mercury South Beach Resort (Miami)	\$448.25	
10/31/06	Mercury South Beach Resort (Miami)	\$195.54	
11/17/06	Mercury South Beach Resort (Miami)	\$11.52	
01/04/07	Mercury South Beach Resort (Miami)	<u>\$1,380.52</u>	
		\$19,838.71	\$0.00
MISCELLANEOUS			
various	Bank Interest	\$60,388.96	
07/11/06	City Nat'l Bank Of Florida	\$6,669.64	
various	US Treasury tax refunds / NYSDOL refunds	\$28,145.44	
08/04/06	CheckPoint HR payroll refund	\$10,225.51	
05/23/06	Insurance proceeds re Great Neck Office	\$274.50	
01/17/07	From Yale Mortgage Co. (Two Elk Trust @ 155 Maple St)	\$152.19	
12/13/06	Interest earned on deposit	\$1,966.21	
03/16/07	Hobby Place operating account funds	\$61,200.00	\$62,809.31 (includes interest)
03/16/07	Maxey Village/Hobby Place security deposit balances	\$3,608.91	\$3,703.81 (includes interest)
04/29/08	Versailles Apts - Debtor in Possession (Wachovia)	\$7,730.30	\$7,933.58 (includes interest)
06/18/07	Denner Pellegrino LLP - return of Foster's initial retainer	\$50,000.00	
07/06/09	Gottfried & Assoc. - refund unused portion of retainer	\$2,740.00	
	Cobalt Agent for High Pointe Plaza Insurance Escrow	\$7,518.86	\$7,676.18 (includes interest)
	Hobby Apartments insurance claim / International Interests	<u>\$108,328.60</u>	<u>\$109,329.38</u> (includes interest)
		\$348,949.12	
Total - Seized by the Receiver		\$1,145,113.57	
Total Gross Funds Seized & Secured by the Receiver		<u>\$1,438,171.14</u>	
Less: Receiver expenditures (see attached)		(\$112,614.95)	
Total Net Funds Seized & Secured by the Receiver		\$1,325,556.19	
Amount transferred to SDNY - 7/22/09		\$1,076,603.97	
Total Amount Still Held by the Receiver			\$248,952.22

COBALT RECEIVER EXPENDITURES (from Cobalt Funds)**INSURANCE - FLORIDA PROPERTIES**

05/12/06	Citizens Property Insurance Corp - CMF South Beach	\$3,774.00
05/26/06	Premium Assignment Corporation - CMF South Beach	\$5,445.09
06/13/06	Sullivan Company LLC - Simone Beach Club West	\$4,364.60
06/29/06	Sullivan Company LLC - CMF South Beach	\$11,933.44
07/07/06	Premium Assignment Corp - Simone Beach Club West	\$4,659.26
07/21/06	Premium Assignment Corp - Simone Beach Club West	\$4,437.39
07/21/06	Premium Assignment Corporation - CMF South Beach	\$3,724.84
08/10/06	Premium Assignment Corporation - CMF South Beach	\$3,724.84
08/10/06	Premium Assignment Corp - Simone Beach Club West	\$4,437.39
09/13/06	Premium Assignment Corporation - CMF South Beach	\$3,724.84
01/09/07	Vin Vizzo Adjusters LLC - Ins re Simone South Beach	\$1,000.00
		<hr/> \$51,225.69

MISCELLANEOUS - FLORIDA PROPERTIES

06/21/06	National Construction Rentals Inc. - fence rental	\$132.53
06/21/06	American Security Systems Locksmith - TRIO	\$197.95
06/29/06	National Construction Rentals Inc. - fence rental	\$37.02
07/21/06	National Construction Rentals Inc. - fence rental	\$95.51
08/10/06	National Construction Rentals Inc. - fence rental	\$132.53
09/13/06	National Construction Rentals Inc. - fence rental	\$132.53
10/23/06	National Construction Rentals Inc. - fence rental	\$132.53
12/12/06	National Construction Rentals Inc. - fence rental	\$302.08
		<hr/> \$1,162.68

MISCELLANEOUS - MASSACHUSETTS PROPERTIES

08/22/06	Moving Services re Springfield Copiers	\$875.00
		<hr/> \$875.00

MISCELLANEOUS - TEXAS PROPERTIES

12/12/06	Terry Hawkins - Photo Gathering	\$300.00
		<hr/> \$300.00

RETAINER - PROFESSIONALS

05/26/06	RSM McGladrey Inc - Forensic Accountants	\$20,000.00
12/21/06	Gottfried & Associates PC - professional services	\$15,000.00
03/02/07	Keith Kramer CPA - Tax/Accounting services	\$6,000.00
		<hr/> \$41,000.00

PROCESS SERVERS

06/21/06	Demovsky Lawyer Service - service on C. Shapiro	\$267.75
06/21/06	Demovsky Lawyer Service - service on Taniszewska/Pio	\$494.38
12/12/06	Front Range Legal Process Service - service on J. Stitsky	\$65.00
08/22/06	Ann Rock - service on Bridge Capital LLC	\$200.00
		<hr/> \$1,027.13

COBALT RECEIVER EXPENDITURES (from Cobalt Funds)**COURT COSTS / TRANSCRIPT FEES**

06/21/06	Veritext New York Reporting - video - Robert Cohen	\$480.75
06/21/06	Veritext New York Reporting - transcript - Robert Cohen	\$873.75
06/29/06	Southern District Reporters - 5/4/06 Cobalt Hearing	\$137.50
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		\$1,492.00

DOCUMENT COPYING COSTS - OUTSIDE VENDORS

06/21/06	Capossella Cohen document production	\$515.55
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		\$515.55

COBALT PAYROLL EXPENSES

01/08/07	CheckPoint HR - 2006 Year End Payroll Processing	\$2,500.00
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		\$2,500.00

PAYMENTS TO RAIPHER PELLEGRINO, Esq. (pursuant to court order)

10/23/06	original transfer from Webster Bank	\$8,831.60
10/23/06	original transfer from Webster Bank	\$3,003.02
		<hr/>
		\$11,834.62

MISCELLANEOUS

06/29/06	Chase Bank - stop payment fee.	\$25.00
08/14/06	Chase Bank - safe deposit box rental	\$81.28
09/13/06	USPS - post office box rental	\$124.00
12/05/06	Chase Bank - wire fees	\$24.00
03/02/07	Change of Registered Agent service re Cobalt Financial Inc.	\$120.00
03/23/07	USPS - post office box rental	\$124.00
09/24/07	USPS - post office box rental	\$184.00
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		\$682.28

Total - Cobalt Receiver Expenditures (from Cobalt Funds)	<u><u>\$112,614.95</u></u>
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